

Message Text

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72-S-61

ORIGIN ARA-06

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ACDA:DOYSTER

OES/SCI/AE: JBLOOM(PHONE)

ERDA:ASFRIEDMAN

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FM SECSTATE WASHDC

TO AMEMBASSY BRASILIA IMMEDIATE

INFO AMEMBASSY BONN IMMEDIATE

AMEMBASSY VIENNA IMMEDIATE

AMCONSUL RIO DE JANEIRO IMMEDIATE

C O N F I D E N T I A L STATE 092323

LIMDIS

E.O. 11652: GDS

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TAGS: TECH, BR

SUBJECT: SECOND LETTER FROM BECHTEL TO GOB

REF: (A) BRASILIA 2691; (B) STATE 087906

1. DEPARTMENT HAS RECEIVED A COPY OF A LETTER DATED APRIL 14 FROM JOHN A. DAMM, BUSINESS DEVELOPMENT MANAGER OF BECHTEL, TO DR. CARLOS SYLLUS MARTINS PINTO OF NUCLEBRAS WHICH APPARENTLY REPRESENTS AN EFFORT TO CORRECT MIS-APPREHENSIONS CAUSED BY HIS LETTER TO MINISTER UEKI OF MARCH 21.

2. FOLLOWING IS TEXT OF LETTER: DEAR DR. PINTO: I
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REGRET VERY MUCH THE TIMING OF MY VISIT TO RIO ON MARCH 6
CONFLICTED WITH YOUR INTENSE SCHEDULE, BUT I AM SURE MY
DISCUSSIONS WITH MR. LEPECKI WERE BROUGHT TO YOUR ATTENTION.

3. ATTACHED HERETO IS A COPY OF MY LETTER OF MARCH 21, 1975, TO MINISTER UEKI ON THE SUBJECT OF NUCLEAR ENRICHMENT. YOU ARE UNDOUBTEDLY FAMILIAR WITH THIS CORRESPONDENCE. IT DEVELOPS THAT WITHIN SOME U.S. CIRCLES THERE HAS BEEN CONCERN ABOUT MISINTERPRETATION, IN PARTICULAR THE LAST TWO SENTENCES OF THE LAST PARAGRAPH. I HAVE BEEN ASKED TO CONVEY THE FOLLOWING TO YOU TO CLARIFY THAT SITUATION:

4. "BECHTEL'S LETTER OF MARCH 21, 1975, (DAMM TO UEKI) IS GENERALLY CORRECT WITH REFERENCE TO THE U.S. GOVERNMENT PLANNING TO EXAMINE THE SHARING OF URANIUM ENRICHMENT TECHNOLOGY BETWEEN THE U.S. AND FRIENDLY FOREIGN POWERS. HOWEVER, THE SAME LETTER MAY BE MISLEADING IN ITS SUGGESTION THAT THERE HAS BEEN ANY DECISION MADE OR INDEED ANY MAJOR EXPLORATION BEGUN WITH RESPECT TO THE POSSIBILITY OF TRANSFERRING SUCH ENRICHMENT TECHNOLOGY SPECIFICALLY TO BRAZIL. FIRST OF ALL, THE U.S. GOVERNMENT HAS NOT YET RECEIVED OR RESPONDED TO ANY PROPOSAL FOR EXCHANGE UNDER THE NEWLY ANNOUNCED POLICY, BUT, PRESUMABLY, THE POLICY WILL CONFORM TO THE SIX GUIDING PRINCIPLES FOR EXCHANGE, COPY OF WHICH IS ATTACHED. SECONDLY, THE NEW POLICY WOULD BE GENERALLY APPLICABLE TO ALL CURRENT MEMBERS OF THE INTERNATIONAL ENERGY AGENCY. BRAZIL IS NOT A MEMBER OF THAT AGENCY.

5. AT A MEETING IN WASHINGTON ON JANUARY 28, 1975, WHEN THIS GENERAL POLICY WAS ANNOUNCED BY ERDA, IT WAS LEARNED BY REPRESENTATIVES OF BECHTEL THAT, AS CONTEMPLATED IN THE SIXTH GUIDING PRINCIPLE, THE POLICY MIGHT BE EXTENDED TO OTHER COUNTRIES WHICH ARE NOT MEMBERS OF THE IEA. IN RESPONSE TO INQUIRIES RECEIVED DIRECTLY BY BECHTEL, THE QUESTION OF RELEASING THE TECHNOLOGY TO BRAZIL, ASSUMING OF COURSE THAT IT BECOMES A SIGNER OF THE NON-PROLIFERATION TREATY, HAS BEEN RAISED BY UEA IN A PRELIMINARY OR EXPLORATORY MANNER IN WASHINGTON. UEA HAS NOT YET RECEIVED ANY RESPONSE OR GUIDANCE ON THIS POINT AND, IN THE LIGHT OF RECENT INFORMATION, PROBABLY WILL NOT UNTIL

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AFTER THE HIGH LEVEL INTER-GOVERNMENTAL MEETING IS HELD BETWEEN U.S. AND BRAZILIAN OFFICIALS IN MAY. ALL OF THIS SUGGESTS THAT ANY FURTHER ACTION MUST AWAIT FURTHER DEVELOPMENTS AT THE GOVERNMENT LEVEL."

6. I WOULD BE MOST APPRECIATIVE IF YOU WOULD CONVEY TO THE APPROPRIATE PEOPLE IN NUCLEBRAS AND THE MINISTRY THIS INFORMATION.

7. I LOOK FORWARD TO MEETING WITH YOU FOR FURTHER DISCUSSIONS AS THE GOVERNMENT TO GOVERNMENT RELATIONSHIPS UNFOLD. END TEXT.

8. ATTACHED TO THE LETTER IS THE FOLLOWING LIST OF
"GUIDING PRINCIPLES"

(1) PLANS SHOULD BE DEVELOPED JOINTLY TO ENSURE THE
ORDERLY EXPANSION OF URANIUM SUPPLIES AND ENRICHMENT
CAPACITY. PARTICULARLY IN THE LATTER CASE, THESE SHOULD

INCLUDE ORDERLY INTRODUCTION OF NEW TECHNOLOGIES WHICH
MAY REDUCE COST.

(2) PLANS FOR COOPERATION SHOULD ENCOMPASS THE TIMELY
EXPLORATION AND DEVELOPMENT OF NEW SOURCES OF URANIUM ORE
AND THE ORDERLY ACCESS TO THE WORLD'S RESOURCES.

(3) WITHIN THIS JOINT PLAN, OPPORTUNITIES FOR MULTI-
NATIONAL INVESTMENT AND OWNERSHIP SHOULD PROVIDE ASSURAN-
CE OF SUPPLY.

(4) UNDERSTANDABLE INTERNATIONAL INTEREST IN GEO-
GRAPHIC DISPERSION OF ENRICHING FACILITIES SHOULD PROVIDE
ADDED ASSURANCE AGAINST SUPPLY DISRUPTION AND SHOULD
EVOLVE IN SUCH A WAY AS TO AVOID AGGRAVATION OF INTER-
NATIONAL SECURITY CONCERNS.

(5) THE MATERIALS PRODUCED AND THE TECHNOLOGY INVOLVED
SHOULD NOT BECOME THE SOURCE OF FURTHER PROLIFERATION OF
NUCLEAR WEAPONS.

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(6) THE BENEFITS OF THESE ARRANGEMENTS SHOULD BE
EXTENDED TO THE DEVELOPING COUNTRIES AND TO THE OIL
PRODUCING COUNTRIES WHICH MAY IN THE FUTURE HAVE NEED OF
NUCLEAR POWER. END LIST.

9. WHILE THIS LETTER IS NOT INCORRECT IN ITS DESCRIPT-
ION OF US POLICY, AND PROBABLY DOES NOT REQUIRE
ANOTHER SPECIFIC CORRECTIVE EFFORT BY THE USG, IT IS
SOMEWHAT MISLEADING. FOR INSTANCE IN PARAGRAPH 3 ABOVE
DAMM INDICATES THAT THE DIFFICULTIES WE HAD WITH HIS
MARCH 21 LETTER CONCERNED PARTICULARLY THE LAST TWO
SENTENCES OF THE LAST PARAGRAPH, WHEREAS IN FACT WE
ARE ALSO DISTURBED BY THE LAST TWO SENTENCES OF
THE SECOND PARAGRAPH AND THE ENTIRE FOURTH PARAGRAPH.

10. ALSO MISLEADING IS THE PHRASE IN THE SECOND SENTEN-
CE OF PARAGRAPH 5 ABOVE WHICH READS: "ASSUMING OF COURSE
THAT IT BECOMES A SIGNER OF THE NON- PROLIFERATION
TREATY." TO OUR KNOWLEDGE NO USG SPOKESMEN HAVE TOLD
BECHTEL TO MAKE THIS ASSUMPTION. BECHTEL MAY BE REFLECT-
ING, HOWEVER ERDA POSITIONS GOVERNING COOPERATION WITH
FOREIGN ENTITIES ON ENRICHMENT WHICH LIST AS ONE OF THE

FACTORS TO BE CONSIDERED IN AUTHORIZING SUCH COOPERATION
THE NPT STATUS OF THE FOREIGN COUNTRY.

11. PRESUMABLY REFERENCE IN PARAGRAPH 5 ABOVE TO HIGH
LEVEL INTER GOVERNMENTAL MEETING IN MAY IS TO UEKI VISIT

FOR WHICH DATES HAVE NOT YET BEEN SET.

12. FOR YOUR INFORMATION THE "GUIDING PRINCIPLES" LISTED
IN PARAGRAPH 8 ABOVE WERE PREPARED IN FEBRUARY 1974 BY
THE ENERGY COORDINATING GROUP WHICH WAS AN OUTGROWTH OF
THE WASHINGTON ENERGY CONFERENCE. THEY WERE FURNISHED TO
US INDUSTRY BY THE AEC AT A MEETING LAST YEAR. KISSINGER

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<< END OF DOCUMENT >>

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